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SUBJECT: SHANGHAI: THE PARTY SECRETARY IS ONLINE

REF: SHANGHAI 493

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Summary

1. (SBU) Shanghai CPC Party Secretary Yu Zhengsheng participated in his first webchat on November 6, fielding questions from Shanghai residents on economic and social issues. Netizens took advantage of the opportunity to raise concerns about economic development, infrastructure projects, housing prices, resident registration (hukou) policy, traffic congestion, and small business development. Addressing concerns about the global financial crisis, Yu answered that the Municipal Government would introduce several new policies to increase domestic demand and improve infrastructure. On social issues, Yu identified housing and traffic congestion as the two most pressing problems in Shanghai. Liu Yungeng, Director of the Shanghai Municipal People's Congress (SMPC), followed Yu's example with a webchat of his own on November 12. Separately, a speaker at the U.S.-China Internet Industry Forum on November 7 highlighted the growing importance of e-government in China. End Summary.

The Party Secretary is Online!

2. (SBU) Politburo member and Shanghai Communist Party (CPC) Secretary Yu Zhengsheng participated in a webchat on Eastday.com, a local internet service provider, on November 6, fielding questions from Shanghai residents on economic and social issues. Also participating in Yu's first online chat were Shanghai CPC Deputy Party Secretary Yin Yicui, Chief of the Propaganda Department Wang Zhongwei, and Chief of the Organizations Department Shen Hongguang. The webchat started at 9:15 a.m. local time and lasted almost two hours. Eastday.com estimated that more than 200,000 netizens participated in the webchat, posing more than 7,000 questions. Yu said during the webchat that he regularly uses the internet, particularly to read online news articles.

Aiming for "Zero Distance" Interactions

13. (SBU) Zhang Qingling, Eastday.com's Office Director, told Poloff the day after the webchat that Eastday.com officials were very happy with the outcome, and they hope there will be more online interviews with local government officials in the future. Webchats provide Shanghai's residents with an opportunity for "zero distance" interactions with local leaders, Zhang said. An op-ed in the Oriental Morning Post praised Yu for his role in the webchat, adding that the Internet has become "an important vehicle for soliciting public opinion" in China.

Shanghai's Netizens Voice Their Concerns

14. (SBU) Netizens raised a number of concerns during the webchat, including economic development, infrastructure projects, housing prices, resident registration (hukou) policy, traffic congestion, and small business development. Shanghai's preparations for the 2010 World Expo attracted a significant amount of attention with a particular focus on transportation and infrastructure needs. One netizen asked how Shanghai will provide adequate transportation resources for tourists who visit Shanghai for the Expo. (Note: Shanghai Expo Bureau officials predict 60-70 million visitors at the six-month World Expo in 2010.) Another asked "how to make Shanghai a livable city to show people Scientific Development."

Economics: "If It's Going to Rain, Take an Umbrella"

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15. (SBU) Yu responded to concerns about the global financial crisis and China's economic slowdown, stating that the worldwide economic situation already has affected China. Addressing a university student's concern about future job prospects, Yu answered that the Municipal Government would introduce six or seven new policies (similar to the State Council's 10-point plan) to increase domestic demand and improve infrastructure. From the Municipal Government's perspective, Yu said, "I can only tell you to take an umbrella when it is going to rain; the problem is whether you open the umbrella at the right time and whether the umbrella works." He also stressed that Shanghai's economy is not shrinking, as industrial output grew 12 percent in the last nine months, and Shanghai's economic fundamentals remain strong.

Social Problems and Economic Growth

16. (SBU) Yu also said the Municipal Government would release a detailed housing policy in December that would clarify the policy on rights to resell low-income housing. He identified housing and traffic congestion as the two most pressing issues in Shanghai. For commercial apartments, Yu said, the government would use taxation and land policy to affect market prices. The Party Secretary also promised changes in Shanghai's resident registration (hukou) system are on the way, which will allow out-of-town graduates or "talented" people to continue to work in the city without restrictions. The new policy hopefully would help attract more talented people to Shanghai, Yu said.

Municipal People's Congress Director Also Online

17. (SBU) Liu Yungeng, Director of the Shanghai Municipal People's Congress (SMPC), followed Yu's example with a webchat of his own on Eastday.com on November 12. Nearly 20,000 people participated in the Liu webchat and raised over 2,700 questions. Liu echoed many of Yu's sentiments during the webchat, stating that the SMPC and Shanghai's CPC Standing Committee have done a lot of work on easing China's economic transition and dealing with the global financial crisis. Liu said the SMPC would

strengthen transparency to help people learn more about legal procedures. He stated that he appreciated having an online chat with netizens, and he pointed out that the SMPC website now has its own platform for soliciting opinions and suggestions from the public.

Making Advances in E-Government

18. (SBU) Speaking at the U.S.-China Internet Industry Forum in Shanghai on November 7 (reftel), Hu Qiheng, Chairwoman of the Internet Society of China, outlined progress on e-government, stating that by the end of 2007, over 86 percent of governments at central and local levels had launched independent websites, including 96 percent of State Council organs, all of the provincial governments, 96.7 percent of prefecture- and city-level governments, and 96 percent of county-level governments. More than 80 percent of government websites currently include some form of public outreach, Hu said, and according to 2007 statistics, 82.6 percent of government websites have e-mail services, 52.4 percent of government websites have online surveys, 21.6 percent of government websites conduct online interviews (like the Yu webchat), and 17.7 percent of government websites have forums for discussing public affairs. Through the Internet, people can offer policy suggestions and oversee government operations, Hu stated.

More Online Exchanges to Come

19. (SBU) Comment: We expect to see more online exchanges with government officials in East China. In the most economically developed region of the country, the number of netizens is

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growing rapidly, and expectations appear to be rising that there will be many more opportunities for "zero distance" interactions with local leaders. End Comment.

About Eastday.com

110. (SBU) Note: Eastday.com bills itself as the "most influential and comprehensive news portal site in Shanghai." Eastday.com was launched in May 2000 and since that time has expanded its reach beyond Shanghai to other parts of the Yangtze River Delta (YRD). Eastday.com includes sites in Chinese, English, and Japanese, and it now has more than 100 news channels, utilizing the Internet, newspaper, and mobile phones. It is not known how many netizens use Eastday.com's services. End Note.
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